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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XC352

Second Fishing Capacity Reduction Program for the Longline Catcher Processor Subsector of the Bering Sea and Aleutian Islands Non-Pollock Groundfish Fishery

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce.

ACTION: Notice of reduction payment tender and industry fee collection system effective date.

SUMMARY: The FY 2005 Appropriations Act (the Appropriations Act) authorized a capacity reduction program for the Longline Catcher Processor Subsector of the Bering Sea and Aleutian Islands non-pollock groundfish fishery (Reduction Fishery). Pursuant to this authorization, the Freezer Longline Conservation Cooperative (FLCC) conducted the bid selection process and submitted a reduction plan to NMFS to purchase a single latent permit within the Reduction Fishery. On September 24, 2012, the National Marine Fisheries Service published regulations for the second fishing capacity reduction program for this Reduction Fishery. NMFS conducted a successful referendum

approving the reduction loan repayment fees of \$2,700,000 which post-reduction harvesters will repay over a 30-year period.

Accordingly, NMFS is preparing to tender a reduction payment to the accepted bidder and implement an industry fee collection system to repay the loan.

DATES: The public has until [insert date 30 days after date of publication in the FEDERAL REGISTER] to inform NMFS of any holding, owning, or retaining claims that conflict with the representations of bids as presented by the FLCC. Fee collection will begin on January 1, 2013.

ADDRESSES: Send comments about this notice to Paul Marx, Chief, Financial Services Division, NMFS, Attn: Second Non-Pollock Groundfish Longline Catcher Processor Buyback, 1315 East-West Highway, Silver Spring, MD 20910 (see FOR FURTHER INFORMATION CONTACT).

FOR FURTHER INFORMATION CONTACT: Michael A. Sturtevant at (301) 427-8799, fax (301) 713-1306, or [michael.a.sturtevant@noaa.gov](mailto:michael.a.sturtevant@noaa.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Background

In 2007, NMFS approved and implemented a \$35.7 million fishing capacity reduction loan program for the Longline Catcher Processor Subsector, which represented the full amount authorized for that subsector of the \$75 million authorized for the entire BSAI non-pollock

groundfish fishery. The initial program removed three fishing vessels and 12 fishing licenses and permits for a loan amount of \$35 million. All long-line catcher processors harvesting non-pollock groundfish were required to pay and forward a fee to NMFS to repay the loan. The original fee assessment was \$0.02 per pound caught with payment and collection beginning on October 24, 2007. That rate has since been reduced to \$0.0145 per pound.

None of the other BSAI non-pollock groundfish subsectors have expressed an interest in implementing a capacity reduction program for their subsector. A provision in the Appropriations Act permits the Secretary of Commerce to make available any of the unused loan amounts, originally allocated for each subsector, for capacity reduction programs in any of the subsectors after January 1, 2009.

Members of the BSAI Longline Catcher Processor Subsector informed NMFS that they wished to access the remaining loan amounts to undertake a second buyback. To implement this next buyback, the FLCC on behalf of the Reduction Fishery was required by the Appropriations Act to draft and submit a Reduction Plan to NMFS. On August 27, 2010, the FLCC submitted a Reduction Plan to access \$2.7 million of the total remaining \$39,105,450 funds to purchase a single latent permit.

NMFS published proposed program regulations on July 30, 2012 (77 FR 44572), and final program regulations on September 24, 2012 (77 FR 58775), to implement the second reduction program. Interested

persons should review these for further program details.

## II. Present Status

NMFS conducted a referendum to determine the industry's willingness to repay a fishing capacity reduction loan to purchase the permit identified in the reduction plan. NMFS mailed ballots to 37 holders of record of LLP licenses in the fishery who were eligible to vote in the referendum. The voting period opened on October 24, 2012, and closed on November 7, 2012. NMFS received 32 timely and valid votes; all 32 of the votes approved the fees. This exceeded majority of permit holders (19) required for industry fee system approval. Consequently, the referendum was successful and permit holders approved the industry fee system. Accordingly, the reduction contract is in full force and effect and NMFS is preparing to tender and disburse a reduction payment to the selected bidder.

## III. Reduction Payment Tender

NMFS publishes this notice to inform the public before tendering the reduction payment to Permit Holding LLC (the selected bidder), for LLP license LLG2085 with area endorsements for Bering Sea Catcher/Processor Hook and Longline and Aleutian Islands Catcher/Processor Hook and Longline. NMFS will tender the reduction payment on or about [insert date 30 days after date of publication in the FEDERAL REGISTER]. When NMFS tenders the reduction payment to Permit Holding LLC, the selected bidder must permanently stop all

further fishing with the reduction permit it has relinquished. The selected bidder, in accordance with section 5 of the relinquishment contract, must notify all creditors or other parties with security interests in the reduction permit.

This notice provides the public (including creditors or other parties) 30 days from publication of this notice to advise NMFS in writing of any holding, owning, or retaining claims that conflict with the representations of the bid as presented by the FLCC.

#### IV. Fee System Effective Date

This notice also establishes the reduction loan repayment fee's effective date in accordance with subpart M to 50 CFR 600.1108. The second BSAI non-pollock groundfish longline catcher processor program fee payment and collection will begin on January 1, 2013. Starting on this date, additional fees will be assessed and collected on all harvested Pacific cod, including that used for bait or discarded, on all members of this subsector. The initial fee applicable to this second loan in the BSAI longline program's reduction fishery is \$0.001 per pound. Subsector members must pay and collect the fee in the manner set out in 50 CFR 600.1108 and the framework rule. Consequently, all subsector members may wish to read

subpart L to 50 CFR 600.1013 to understand how fish harvesters must pay and fish buyers must collect the fee.

Dated: November 9, 2012

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Dana Flowerlake,  
Acting Deputy Director,  
Office of Management and Budget,  
National Marine Fisheries Service.

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